

ARUN DISTRICT COUNCIL

REPORT TO AND DECISION OF AUDIT & GOVERNANCE COMMITTEE ON 30 JULY 2020

PART A : REPORT

SUBJECT: Internal Audit Annual Report & Opinion 2019/20

REPORT AUTHOR: Stephen Pearse, Internal Audit Manager

DATE: July 2020

EXTN: 37561

PORTFOLIO AREA: Corporate Support

EXECUTIVE SUMMARY:

Internal Audit discharges its duties through the completion of an agreed audit plan designed to provide independent assurance that the Council's business risks are being managed to an appropriate level

This report summarises the activities of the Council's Internal Audit service for 2019/20

RECOMMENDATIONS:

Members of the Audit & Governance Committee are requested to note the Internal Audit Annual Report & Opinion 2019/20 report and the work carried out by Internal Audit

1. BACKGROUND:

1.1 INTRODUCTION

The purpose of this report is to summarise the work carried out by Internal Audit during the year ended 31st March 2020. The work of Internal Audit and the resultant overall opinion on the Council's control environment, which is derived from the work performed, provides those charged with governance a source of assurance that is necessary to support the Council's Annual Governance Statement (AGS) which accompanies the Annual Accounts.

The Internal Audit Manager is required to provide an 'independent' opinion on the adequacy and effectiveness of the systems of internal control operating within the Council. This will provide the signatories to the AGS (the Chief Executive and Leader of the Council) with a degree of assurance on this matter. In reaching the opinion, consideration has been given to the Council's governance arrangements and to the internal control environment in the light of the work of Internal Audit carried out through the year.

Consideration has also been given to the findings of the Council's external auditors (Ernst & Young LLP), who gave an unqualified opinion to the Council's Annual Accounts for 2018/19 which were approved by the Audit & Governance Committee in

July 2019.

1.2 POINTS TO NOTE

Since 2010, annual additional documents have been reviewed and approved by the Audit & Governance Committee covering:-

- Self-Assessment Checklist Measuring the Effectiveness of Internal Audit
- Self-Assessment Checklist Measuring the Audit Committee's effectiveness against good practice (using a new CIPFA template issued in 2018)

These documents are attached, having been updated for 2019/20, for the Committee's review and approval.

Since mid-March 2020, the Council has been working under agreed 'lockdown' arrangements in response to the global Covid-19 crisis. This has involved most Council staff working remotely, with no face-to-face meetings being held, with the urgent provision by the Council's ICT area of robust homeworking solutions and systems for e.g. remote meetings. While this had limited effect on the work of the section to the end of March, there will be a more significant impact through 2020 as Council operations are limited, making it less practical to undertake traditional audit reviews and with Internal Audit staff engaged on other Covid-19 related activities (e.g. involvement in financial returns to central Government, fraud checks in respect of the distribution of Business Support Grants, etc.).

2. **PROPOSAL(S):**

It is proposed that the Committee notes the Internal Audit Annual Report & Opinion 2019/20 report and the work carried out by Internal Audit

3. **OPTIONS:**

To note the Internal Audit Annual Report & Opinion 2019/20 report and the work carried out by Internal Audit or not

4. **CONSULTATION:**

No specific consultation has been undertaken in respect of this report

Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council		✓
Relevant District Ward Councillors		✓
Other groups/persons (please specify)		✓
5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)	YES	NO
Financial		✓
Legal		✓
Human Rights/Equality Impact Assessment		✓
Community Safety including Section 17 of Crime & Disorder Act		✓

Sustainability		✓
Asset Management/Property/Land		✓
Technology		✓
Other (please explain)		✓
6. IMPLICATIONS:		

7. REASON FOR THE DECISION:
The Committee notes the Internal Audit Annual Report & Opinion 2019/20 report and the work carried out by Internal Audit

8. BACKGROUND PAPERS:
N/A